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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
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Report On Insurance Regulatory Fees

Fiscal Year Ended September 30, 2009

September 2010

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Office of Financial and Insurance Regulation

Historically, government regulated insurance, financial institutions (banking, consumer finance and credit unions), and securities separately, and a Depression-era federal law known as the Glass Steagall Act (adopted in response to the bank failures following the 1929 stock market crash) that specifically prohibited a bank from offering securities and insurance products or engaging in commercial banking. The federal Financial Services Modernization Act of 1999, also known as Graham Leach Bliley Act (GLBA) repealed the Glass Steagall Act barriers and allowed financial service holding companies to engage in any activity financial in nature so long as it did not cause a safety or soundness issue to the overall financial system.

With changing complexities in insurance, banking and securities companies, the old-fashioned regulatory model could not keep pace with the marketplace. Michigan became the first state to coordinate the regulation of insurance, financial institutions and securities into one governmental agency consistent with financial services modernization. Effective April 2000, the Office of Financial and Insurance Services (OFIS) was created by executive order to consolidate the Bureaus of Insurance and Financial Institutions, and the Securities Division of the former Corporations, Securities and Land Development Bureau. The creation of OFIS allowed Michigan regulators to become adept at interpreting and regulating complex services entities that did not exist a few years ago.

On February 1, 2008, Governor Granholm signed Executive Order 2008-02, which became effective April 6, 2008. The order changed the official name of OFIS to the Office of Financial and Insurance Regulation (OFIR) to reflect its regulatory and consumer protection focus.

As of December 31, 2009, OFIR was responsible for the regulation of Blue Cross Blue Shield of Michigan, 26 health maintenance organizations (HMOs), 127 banks, 174 domestic insurance companies, 210 credit unions, 1,427 foreign insurance companies, 1,858 investment advisers, 2,036 securities broker-dealers, 7,496 consumer finance licensees and registrants, 171,443 insurance agents, and 123,604 securities agents. OFIR licenses or charters these entities, conducts safety, soundness, and compliance examinations, and protects and educates Michigan consumers of financial services. Through adaptability and consumer communication, the Commissioner and staff of the OFIR strive to be the preeminent financial regulators in the United States.

Overseeing OFIR is Commissioner Ken Ross, who was appointed by Governor Jennifer M. Granholm effective February 22, 2008.

Table of Contents

Introduction

Insurers pay the cost of regulation in Michigan through an annual fee that is assessed by the Office of Financial and Insurance Regulation (OFIR) called the Insurance Regulatory Fee. Authority to assess, collect and deposit the Insurance Regulatory Fee into a restricted revenue account in a restricted purpose fund was enacted by 1994 PA 228. Michigan Compiled Laws (MCL) 500.224(4) requires insurers to pay the Insurance Regulatory Fee instead of reimbursing OFIR for the direct costs and expenses of regulation incurred by each insurer.

The enactment of this assessment method benefits both insurers and OFIR as it provides OFIR a constant funding source to pay for its insurance regulatory activities, and it eliminated the cyclical nature of the cost of regulation to the insurers. Fees collected and deposited into this fund are only to be spent on insurance regulatory purposes under the Commissioner's authority, pursuant to a legislative appropriation. Unspent money remaining in this fund does not lapse to the State's general fund; it carries forward to the next fiscal year pursuant to MCL 500.225. The ending balance of the Insurance Regulatory Fee Fund at the close of fiscal year 2009, September 30, 2009, was $6,562,347.

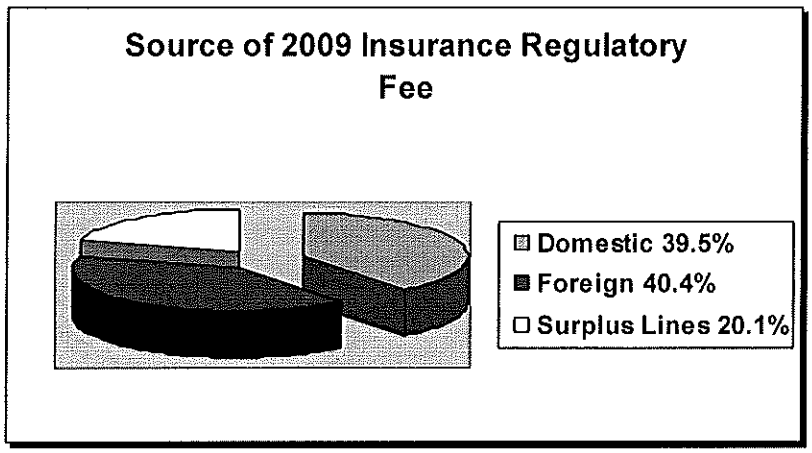
Purpose of the Report

This report covers Fiscal Year 2009, the period from October 1, 2008 through September 30, 2009. MCL 500.224a specifies that annually, beginning June 1, 1995, the Commissioner shall report to the Senate and House of Representatives standing committees on insurance issues regarding the following information:

- The amount of revenues raised by the Insurance Regulatory Fee.
- How the regulatory fee collection was spread among domestic, foreign, and alien insurers.
- How the fees were spent in regulating the domestic, foreign, and alien insurance industry.
- Whether new regulatory policy is needed to better protect the citizens of Michigan.

Insurance Regulatory Fee Revenue

The Insurance Regulatory Fee revenue collected by OFIR in Fiscal Year 2009 was $13,912,348.



Michigan's 174 domiciled insurers (those which formed in Michigan) paid 39.5% of the total Insurance Regulatory Fee or $5.5 million. Approximately 1427 foreign insurers, those which formed in a state other than Michigan, paid 40.4% of the total or $5.6 million, while the non-admitted surplus lines insurers paid 20.1% or $2.8 million of the Insurance Regulatory Fee.

Expenditures Funded with the Insurance Regulatory Fee

Statutory Expenditure Limitation

Pursuant to MCL 500.224(4)(a)(v), the total Insurance Regulatory Fee shall not exceed 80% of the gross appropriation for OFIR's insurance regulatory operations for a fiscal year. This is calculated as the difference between the gross appropriation for the insurance operations for the fiscal year and any restricted revenues, other than the regulatory fee itself as identified in the gross appropriation. This statutory requirement was met by OFIR as the Fiscal Year 2009 gross insurance regulatory appropriation was $28,678,700, and the Insurance Regulatory Fee restricted revenue was 74% or $21,314,700 of the total appropriated restricted revenue.

Fiscal Year 2009 Calculation of Statutory Limitation on Appropriated Insurance Regulatory Fee	Amount
Restricted Revenue Appropriated to Fund Insurance Regulatory Operations:	
Insurance Continuing Education Fees	$ 1,045,600
Multiple Employer Welfare Arrangement Fees	$ 72,400
Captive Insurance Fees	$ 232,500
Insurance Regulatory Fee	$ 21,314,700
Insurance Licensing and Regulation Fee	$ 6,013,500
Gross Fee Appropriation for Insurance Operations	$ 28,678,700
Gross Appropriation X 80% = Ceiling	$ 22,942,960
Less: Insurance Regulatory Fees Appropriated	$ 21,314,700
Excess Statutory Ceiling Over Appropriated Insurance Regulatory Fee	$1,628,260

Qualified Expenditures

Limitation

Expenditures funded by the Insurance Regulatory Fee in Fiscal Year 2009 totaled $17,556,003. MCL 500.224(5) requires that not less than 67% of the Insurance Regulatory Fee revenue be spent on the regulation of financial conduct, health care, and health insurance for persons under the Commissioner's authority in Michigan. The percentage of qualifying financial conduct, health care and health insurance expenditures in Fiscal Year 2009 was 82% or $14,383,847 of the total expenditure, thus meeting the statutory requirement on expenditures from the fund.

OFIR Insurance Regulatory Operations

Office of the Commissioner

The Office of the Commissioner is comprised of the Commissioner, Chief of Staff, Office of Chief Deputy Commissioner, Office of General Counsel and the OFIR Human Resources and Budget Division. The Commissioner provides executive direction to OFIR and is appointed by the Governor.

The Human Resources and Budget Division is responsible for matters relating to budget, revenue, expenditure, human resources, state vehicle services, internal audit, recycling, contracts and purchasing, technology and facilities. The division manages the flow of consumer information to the public, along with the content of two OFIR web sites. There is focus on partnering with local, state, and federal agencies in educating Michigan consumers about financial literacy. These efforts have generated increased consumer awareness of OFIR-regulated entities. OFIR financial education materials are distributed to the public via websites, in financial literacy programs and in

connection with consumer assistance services. They also provide consumers a link with other agencies and organizations when their requests for assistance fall outside the regulatory parameters of OFIR. Compliance with internal audit, facilities management, mail distribution, telecommunications, and recycling are also the responsibility of this section.

The Office of Chief Deputy Commissioner directs the operations of the agency to ensure its mission, goals and objectives are met. The office also oversees the development and implementation of OFIR's regulatory policy, provides technical support to the Commissioner and acts on behalf of the Commissioner in his absence.

The Office of General Counsel (OGC) supports the Commissioner in the implementation and enforcement of numerous statutes designed to protect the citizens and industries of Michigan. Among those are statutes regulating insurance, including health care, lending, and securities. OGC provides attorney services to the agency in nine major areas: enforcement actions; formal hearings; research and advice; orders, rules, and bulletins; health benefits claims; liaison with the Office of the Attorney General; Freedom of Information Act; State Employees Retirement System; and, special projects.

The Patient's Right to Independent Review Act (PRIRA) was enacted in October 2000 to provide a system by which individuals can appeal the denial of health benefit claims. The Legislature determined that the importance of health care claims warranted a special, expedited procedure to ensure that individuals entitled to benefits are paid swiftly. OGC attorneys work with staff in the Health Plans Division in reviewing and preparing orders on PRIRA cases. PRIRA reviews are conducted on claim denials by commercial insurers, health maintenance organizations, and Blue Cross Blue Shield of Michigan. In general, adverse determinations made by non-governmental self-funded plans are not subject to review under the PRIRA statute.

The PRIRA reviews under these statutes determine whether an adverse determination by a health plan is consistent with the language of the policy or certificate of coverage under which an individual received health care benefits. The review also determines whether the policy provisions are consistent with state law. In some cases, the adverse determinations are based on medical questions. In such cases, the medical information is submitted to an independent medical review organization (IRO) where it is analyzed by a physician specializing in the relevant medical field. The IRO analysis and recommendation is then submitted to OFIR and made a part of the Commissioner's decision.

Each year, the Health Plans Division's staff prepares, and OGC attorneys review and approve, numerous PRIRA and IRO orders for final approval and signature by the Commissioner. Parties may appeal the Commissioner's decisions to the Circuit Court, but only 3 to 5 appeals are filed each year. In a typical year, claimants receive hundreds of thousands of dollars.

The review process under these statutes is designed to produce a decision quickly. While both the individual and the insurer are permitted to submit any material they believe is relevant to the dispute, there is no hearing. Independent medical reviews must be completed within 14 days. The entire review process should be completed within 30 days of receipt of a request for review. In cases where urgent medical needs are involved, an expedited review process will provide a decision within 72 hours.

Enterprise Monitoring Division

The Enterprise Monitoring Division is responsible for conducting on-site financial examinations of the books and records of approximately 174 insurers domiciled in Michigan and other Michigan entities. These entities include property and casualty insurance companies, life and health insurance companies, farm mutuals, government self-insurance pools, health maintenance organizations, alternative finance and delivery systems (AFDS) for limited health care benefits, legislatively created entities, and multiple employer welfare arrangements (MEWA).

Examinations are conducted in accordance with guidelines and procedures recommended by the National Association of Insurance Commissioners (NAIC) and the laws, rules, and regulations prescribed by OFIR. The Division completed on-site financial examinations of 37 insurance entities during Fiscal Year 2009, including several examinations of large, multi-state insurers. At the conclusion of each examination, a Report of Examination is issued which presents findings concerning the entity's financial condition, management, and operations.

The Insurance Examination staff consists primarily of field examiners in full-time travel status. Examiners work on-site at insurance company offices throughout the state, and periodically in other states. There are six examination teams, each headed by an examiner-in-charge. The teams conduct examinations of company books and records to ensure companies are operating in compliance with law and are financially safe, reliable, and entitled to public confidence. An office-based risk manager is responsible for coordinating the planning phase of the examinations.

In addition to internal examination staff, outside contractors are utilized for two purposes: (1) to conduct examinations of insurers that elect to maintain their books and records outside of Michigan [by statute, insurers may do this if they agree to pay certain costs associated with the examination in addition to the regulatory fee, and only keep books and records out of state with the written approval of the Commissioner]; and (2) to provide actuarial opinions as needed to meet examination requirements.

Supervisory Affairs and Insurance Monitoring Division

The Supervisory Affairs and Insurance Monitoring Division regulates the financial aspects of insurers, and most market conduct aspects of health maintenance organizations and alternative financing and delivering systems. It routinely evaluates the financial trends and condition of insurance entities that are authorized to transact insurance in Michigan to ensure they remain safe, reliable and entitled to public confidence. Oversight of licensed insurers is important in meeting NAIC Accreditation standards.

The Supervisory Affairs and Insurance Monitoring Division has five units: 1) Insurance Monitoring 2) Managed Care Market Regulation, 3) Corrective Action, 4) Receivership, and 5) Captive that are responsible for regulating the financial solvency of insurance entities, and market regulation for managed care entities.

The Insurance Monitoring Section is responsible for evaluating the financial condition of insurance companies, and other similar entities that are domiciled in Michigan. These entities include the following types of entities: property and casualty insurance companies, life and health insurance companies, farm mutuals, municipal self-insurance pools, health maintenance organizations, nonprofit health care organizations, dental service corporations, legislatively-

created entities, public employer pooled plans, and AFDS for limited health care benefits. The Section is also responsible for monitoring the financial condition of some foreign insurers. Foreign insurers are domiciled in states other than Michigan that are conducting business in this state. The Section performs limited monitoring of foreign insurers. Reliance is placed on a domiciliary regulator to perform a more in-depth analysis. The Section is also responsible for reviewing and approving transactions involving affiliated companies. The evaluation of the financial condition is done primarily through analyzing and evaluating the companies' annual and quarterly financial statements. The analysts determine whether companies are financially safe, reliable and entitled to public confidence. This Section identifies when entities are showing possible negative trends, or key ratios that may indicate problems. The Section will then refer these entities over to the Corrective Action Section for further monitoring. In addition to evaluating the financial soundness of domestic insurers, the Section is also responsible for reviewing and making recommendations on new applications for licensure, applications for a change in control of an insurer, requests for additional authority, and acquisitions, redomestications, and corporate reorganizations of domestic insurers.

The Managed Care Market Regulation Section is responsible for regulating the market aspects of managed care entities such as health maintenance organizations and AFDS. The Section is responsible for examining and analyzing benefit contracts, provider contracts, quality of care issues, provider network adequacy, and grievance and complaint procedures. It reviews and approves the benefit certificates to ensure that the coverage meets the statutory requirements, and to determine if the certificates clearly set forth the coverage being provided in easy to read and understandable terms. Provider contracts are evaluated and approved to ensure that they meet statutory requirements, provide high quality health services to enrollees, and allow the managed care entity to remain financially strong. The Section also does on-site visits of managed care entities to observe the entities' procedures and practices for providing quality health care to the enrollees, and verify compliance with statutory requirements. Managed care entities' provider networks are evaluated to ensure enrollees have reasonable access to providers that provide all types and level of care before the entity is allowed to offer coverage in each county. Also, managed care entities are required to have a process in place to handle and resolve enrollee issues regarding health care services. The Section reviews and approves the entities' process.

The Corrective Action Section is primarily responsible for closely analyzing, and working with domestic insurance entities that have been identified as being at risk for financial difficulties. The Section's primary objective is to analyze insurance entities to determine whether they remain financially safe, reliable, and entitled to public confidence. To achieve its primary objective, the Section performs in-depth analysis and evaluation of entities' financial statements (annual, quarterly, and when necessary, monthly) and additional reports and filings as required by the Corrective Action Section. The Section may take appropriate action against these entities to protect Michigan policyholders. Such actions may include development of corrective action plans, requirements for capital infusions, restrictions on business written, special deposits, and orders of supervision. When appropriate and if possible, the Division prefers to work with the entities under corrective action plans, and voluntary restrictions developed, and agreed to by the entity and Corrective Action Section. The Section is also assigned some entities that are financially strong to evenly distribute the analysis process to allow for more timely reviews. In addition, the Corrective Action Section is responsible for monitoring the financial condition of the domestic MEWA. The Section is also responsible for financial monitoring some foreign insurers. This monitoring is done primarily through reviewing relevant financial ratios, and some review of

the financial statements. The Section also reviews and approves, as appropriate, requests by insurers for authority to write additional lines of business in Michigan.
When an entity is determined to be no longer safe, reliable and entitled to public confidence, the Receivership Section takes more severe actions such as seizure, rehabilitation or liquidation. The Commissioner, as the statutory receiver to rehabilitate or liquidate as ordered by the Circuit Court, administers insurance entities and managed care entities that become insolvent while doing business in Michigan. The Commissioner is empowered to appoint a deputy receiver to act as the Commissioner's agent and to employ counsel as may be necessary to administer the estate. The Section performs the following functions in accordance with statutory authority: marshaling of assets of insolvent insurers, evaluation of claims filed by all interested parties, and investment and conservation of all assets to ensure maximum distribution to all policyholders, claimants and creditors of the insolvent insurer.

Legislation was passed in March of 2008 that allowed for the formation and licensure of captive insurance companies. The Captive Insurance Section is responsible for the licensing and performing of all regulatory functions for all captive insurance companies in Michigan. In its simplest form, captive insurance companies are entities that only offer insurance coverage to its parent or affiliated companies – not the general public. A captive insurance company can be in the form of a pure captive insurance company, association captive insurance company, sponsored captive insurance company, special purpose captive insurance company, industrial captive insurance company, or special purpose financial captive, with or without protected cells.

Health Plans Division

The Health Plans Division is responsible for the non-financial regulation of BCBSM as authorized under Public Act 350 of 1980. This includes review and approval of BCBSM's rates and rating systems, benefit contracts, and provider class plans. This division is also responsible for holding review and determination proceedings for medical providers contesting the results of audits conducted by BCBSM. The division ensures that BCBSM rates comply with statutory standards. Benefit certificates are examined to assure that coverage meets the criteria established in the statute and to determine if the certificates clearly set forth the coverage being provided. BCBSM's provider contracts and reimbursement arrangements are evaluated against the statutory goals of access, quality, and cost of health care services.

Non-financial regulatory functions authorized under the Michigan Insurance Code of 1956 for long-term care insurance, Medicare supplemental insurance, individual health and disability insurance, and life insurance are performed by this Division. These include evaluation of rates and forms issued by MEWAs, as well as regulation of HMOs and non-profit health care corporations.

Staff review inquiries and complaints regarding benefits and other health-related issues and administer the external appeals program under PRIRA for subscribers of health plans. Complaints filed by Medicaid providers under the timely claims payment program under 2000 PA 187 are also reviewed. External appeals for claims denied by HMOs, BCBSM, insurers, and Medicaid providers are evaluated.

Consumer Services Division

The Consumer Services Division works to generate a greater degree of consumer awareness of OFIR regulated entities. In additional to being responsible for consumer education and outreach activities, the division serves as a referral link between consumer and other agencies and organizations when requests for assistance fall outside the regulatory parameters of OFIR. Complaint handling, insurance investigations, and market conduct examinations of insurance entities are also key responsibilities of the division. The division's goals are to provide OFIR customers with excellent customer service and ensure regulated entities deliver on their promises to Michigan consumers.

Staff assists consumers who have experienced difficulties or who have questions regarding financial and insurance services or products. Every customer receives a thorough and fair review of their complaint that is filed with OFIR in accordance with statutes, and staff work to ensure that each and every consumer fully understands the final outcome. Informal reviews are conducted as required under the Essential Insurance Act.

A Communications Center is staffed to handle the initial contact for persons telephoning OFIR. Staff strives to deliver personal service on each call. Calls are answered, screened, responded to, and, or routed. The answers to questions are provided through data retrieval by staff.

How well the insurance market as a whole, and the individual companies that make up that market, are meeting consumers needs is assessed and appropriate action taken when problems are identified. Alleged violations by insurance licensees of the Michigan Insurance Code of 1956 and related state laws are investigated. If the allegations are supported by evidence, the cases are referred to the OGC with recommendation for further enforcement action, which could include license revocation, license suspension, restitution, fines and civil penalties. Investigations are confidential under Section 1249 of the Insurance Code and are not publicly disclosable. Staff performing preliminary reviews of insurers in areas of regulatory concern participate in the NAIC's market analysis program.

Licensing and Product Review Division

The Licensing and Product Review Division maintains consumer confidence in producers and sellers of financial and insurance products and in the products themselves. This is accomplished through licensure and through protecting Michigan consumers from a wide range of improper and unlawful practices under the statutes, codes, and related laws that OFIR enforces.

The testing and licensing of applicants for insurance producer, agency, solicitor, counselor, and third-party administrator licenses is administered by this division. It monitors the qualifications of the applicants and licensees, and follows up when it learns a licensee's qualifications may be impaired either through failing to complete the required continuing education requirements or by an administrative action.

Consumer protection is focused on reviewing insurance rules, rates, and policy contracts filed with OFIR by insurers doing business in Michigan to ensure that the language meets statutory requirements. Policy language is also reviewed to ensure it includes (or excludes) specific provisions for particular types of insurance contracts; does not contain inconsistent, ambiguous, or misleading clauses; and that property and casualty rates are not excessive, inadequate, or

unfairly discriminatory.

Department of Attorney General

The Attorney General represents the Commissioner in litigation. Lawsuits served on the Commissioner are immediately referred to the OGC, which, in turn, transmits them to the OFIR-assigned Assistant Attorneys General. The OGC consults with the Assistant Attorneys General on litigation, major administrative cases, declaratory rulings, rules, and interpretations of the statutes the Commissioner administers.

Department of Technology, Management and Budget

The Department of Technology Management and Budget (DTMB) provides all technological services to OFIR and to all departments and agencies in the State of Michigan. The OFIR financial conduct, health care and health insurance regulatory activities rely heavily on the services provided by DTMB to operate efficiently and effectively. DTMB provides services in the following seven main areas:

- Office of Enterprise Security ensures the confidentiality, integrity and availability of data and assesses and manages risk through security awareness. It also resolves problem requests and questions related to end-user computers and related equipment.
- Office Automation Services provides a single desktop image for users, monitors, distributes and updates the desktop software remotely, and replaces the hardware as necessary.
- Bureau of Strategic Policy creates and manages the State's technology-focused roadmap to service quality and delivery.
- Data Center Operations provides centralized Data Center Hosting services including acquisitions of hardware and software, operational and technical support for a variety of mainframes and servers.
- Technical services coordinates with state agencies for the development, implementation, and maintenance of technology supporting state agencies.
- Telecommunications Division provides services such as networks, voice – including telephone, audio, video and web conferencing – and the Vendor Private Network, which enable staff in travel status, such as the Insurance Examination staff, to connect to OFIR's databases and the State's network.

New Insurance Regulatory Policy

After a public hearing on May 29, 2008, attended by 18 people with 3 offering oral comment and 11 offering written comment, the Commissioner instituted mandatory electronic rate and form filing through the System of Electronic Rate and Form Filing (SERFF) by Bulletin 2008-05-INS that took effect on April 1, 2009. On May 22, 2009, the Commissioner amended Exemption Order 97-010-M that had previously exempted from filing and prior approval documents and forms relating to personal auto insurance and home insurance. Order 09-023-M, issued May 22, 2009, requires all insurers writing personal auto in Michigan to submit on and after July 1, 2009 through SERFF, prior to use, all new or revised personal auto insurance documents and forms. The Order also requires all insurers writing home insurance in Michigan to submit on and after

September 1, 2009, through SERFF, prior to use, all new or revised home insurance documents and forms.

OFIR is seeking legislation that will amend the Michigan Insurance Code to regulate viatical settlement contracts and license persons involved in these transactions. Concerns have arisen over the development of stranger originated life insurance (STOLI) and whether it has begun to undermine the integrity of the life insurance transaction. STOLI is a practice to initiate a life insurance policy for the benefit of a third party investor who, at the time of the policy origination, has no insurable interest in the life of the insured. Questions have been raised whether STOLI transactions have undermined states' long standing insurable interest standards. It violates the true purpose of life insurance which is protection.

OFIR has no regulatory authority over the settlement services for title agents. This unregulated activity leaves the home buyer and seller with no consumer protection or regulatory recourse in case of title agency fraud, embezzlement, or misappropriation of the funds wired to the Title Agent in settlement of the mortgage loan transaction. Title agency misappropriations have increased dramatically since 1999 to $14.9 million in 2008. Many lenders currently require closing protection letters to protect their interests. In order to protect all parties in the mortgage transaction, OFIR is in support of legislation that would require title insurers to offer lenders, buyers and sellers closing protection letters.

OFIR conducted a survey of over 17,000 resident and non-resident agencies licensed in Michigan for correction of demographic information and to obtain identifying data as to the agencies' size, lines of business, method of premium remittance, location, number of agents, affiliates, Designated Responsible Licensed Producers (DRLPs), and other data pertinent to the investigation, market conduct and licensing sections.

OFIR conducted a survey of all writers of private mortgage insurance in Michigan to review their contract language to assure compliance with the Michigan Insurance Code.

OFIR conducted a climate risk survey of the 14 largest writers of property and casualty insurance in Michigan.

OFIR participated in a survey coordinated through the NAIC for the federal government to obtain data from the 84 largest health insurance companies in the U.S. which included two Michigan domiciled health insurers.

OFIR conducted the first OFIR field examination of the financial and business practice of a life settlement agency, in conjunction with securities staff, and issued a summary report on the examination.

The report you have just read is submitted pursuant to the Michigan Compiled Laws, 500.224a, and requires the Commissioner of the Office of Financial and Insurance Regulation to report to the senate and house of representatives standing committees on insurance issues on revenues raised by the regulatory fees required by the amendatory act that added this section, how the regulatory fees were spread among domestic, foreign, and alien insurers, how the regulatory fees are being expended in regulating the domestic, foreign, and alien insurance industry, and whether new regulatory policy is needed to better protect the citizens of Michigan.

Ken Ross
Commissioner